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SUBJECT: LIBERIA: FISHERIES UPDATE HIGHLIGHTS POTENTIAL FOR GROWTH

REF: 07 MONROVIA 1070

¶1. SUMMARY: The fisheries sector has great potential for increased production and employment, but Liberia continues to import roughly twice the amount of fish it produces. According to the 2008 Annual Report from the Bureau of National Fisheries (BNF), profit margins for fish production are relatively high, but domestic growth in the sector is hampered by unlicensed fishing, lax regulatory enforcement, inadequate infrastructure and lack of capital. USG agencies have identified seafood as a high-potential export sector but so far domestic industry is lagging due to the lack of roads and electricity, inadequate standards and regulations, and non-existent maritime surveillance and control. END SUMMARY.

¶2. According to the Bureau of National Fisheries 2008 Annual Report, Liberia imported 8,100 metric tons of fish in 2008, roughly twice the amount (4,095 metric tons) it produced. The BNF estimates the industry generated \$12-\$15 million in revenue, or roughly 10% of agricultural GDP. While the volume of domestic production is divided roughly evenly between commercial fishing vessels and artisanal production (with a negligible amount from aquaculture), artisanal production is the major source of employment. The BNF reports there are 13,000 fishermen operating 3,500 canoes and 18,000 fish processors (mostly for smoked fish) living in 139 coastal communities. The BNF issued a total of 83 fishing licenses to 31 industrial vessels in 2008. (Note: Statistics remain haphazard. The BNF report does not show figures for previous years, but this appears to reflect a sharp drop in domestic production since 2006. At that time, domestic production was 6,373 metric tons, while local consumption totaled 15,820 metric tons, thanks to imports of 9,447 metric tons. End note.)

¶3. In January and February 2008, the Ministry of Agriculture conducted a Livelihood Survey of fishing communities and found that the fishing industry enjoyed substantial profit margins from cheap labor, weak regulations, and poor tax enforcement. The report identified the lack of access to capital by fishermen as the main hindrance to developing the sector. Other challenges include outdated and improper regulations for handling, processing and storage; substandard safety and hygiene facilities, and overfishing by illegal and unregistered vessels. (Note: Lack of capital is the most common complaint by Liberian businesses in all sectors. The reasons are complex but include a still-fragile financial system, weak business skills, and a culture of non-repayment for loans, abetted by a lack of effective credit rating or ability to enforce foreclosure through the legal system. End note.)

¶4. In 2008, the BNF began work on a comprehensive fisheries development proposal under the sub-regional Fisheries Commission for the West Africa Regional Fisheries Project supported by the World Bank. The BNF also initiated discussions with the Government of Italy for a project to commercialize fishing sector activities in Grand Kru and Montserrado counties. The BNF was allocated a budget of \$83,600 and 24 positions in the FY2008-09 budget (up from nothing the previous year), and charged with:

- Establishing a monitoring, control and surveillance system on vessels fishing in Liberian territorial waters.
- Ensuring access of Liberian fisheries products to external markets.
- Supporting aquaculture rehabilitation.
- Improving the livelihood of fishermen.

#### USG Assistance

15. USAID's West Africa Trade Hub has also identified seafood as a likely export sector. However, so far there has been no Liberian firm approaching export-readiness. The U.S. African Development Foundation (ADF) has identified the Robertsport Fishmongers Association (RFA) as a client with potential to increase Liberia's food security, employment, and entrepreneurial ability. Before the war, the RFA was the major source of fish for Liberia. Although ADF's investment has resulted in purchase of the largest fishing canoe in Liberia, and greatly increased catches (about 3.5 tons per voyage), the RFA suffers from governance issues, has only the ADF-funded fishing canoe and, due to lack of processing or transportation options, can produce only dried fish.

16. A 100 lb. bag of dried fish sells for about LD1,322 (about US\$22.00), or over US\$700 for the entire catch. Over an 84-day fishing season, that level of catch would bring in about US\$60,000 for the RFA. However, in addition to providing fuel and other supplies for the fishing vessel, that money has to be shared among the thousands of fishermen and fishmongers (who dry and sell the

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catch).

17. The USG is also assisting the GOL to develop a Coast Guard which will have maritime surveillance and control as part of its mandate. However, the Coast Guard is unlikely to be operational before the end of 2010. A GOL interim effort to use a private firm to monitor fishing areas in return for a percentage of the collected fines failed as courts refused to charge captured vessels with illegal fishing.

18. COMMENT: Liberia's fisheries authority is seeking to improve regulatory oversight and enhance monitoring and surveillance capacity following years of illegal, unreported and unregulated fishing activities that have damaged the fishing industry and raided Liberia's abundant marine resources. The BNF has not received a large share of resources from its portion of the Ministry of Agriculture budget, and donors thus far have not targeted the sector for assistance. The sector remains crucial for rural employment and nutrition, but rebuilding a self-sustainable (not to mention export-oriented) industry is unlikely to happen anytime soon.

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